

CHAPTER 82

AGRICULTURAL LIENS

S.F. 379

AN ACT relating to certain agricultural liens.

Be It Enacted by the General Assembly of the State of Iowa:

DIVISION I

AGRICULTURAL SUPPLY DEALERS LIEN

Section 1. Section 570A.1, Code 2003, is amended by adding the following new subsections:

NEW SUBSECTION. 2A. "Agricultural supply" means an agricultural chemical, seed, feed, or a petroleum product that is used for an agricultural purpose.

NEW SUBSECTION. 3A. "Agricultural supply dealer lien" or "lien" means the agricultural supply dealer lien created in section 570A.3.

Sec. 2. Section 570A.1, subsections 3, 4, 11, and 12, Code 2003, are amended to read as follows:

3. "Agricultural supply dealer" or "dealer" means a person engaged in the retail sale of agricultural chemicals, seed, feed, or petroleum products used for an agricultural purpose.

4. "Certified request" means a request delivered by certified mail or registered or certified mail, or a request delivered in person if in writing and signed and dated by the respective parties, or in the manner provided by the Iowa rules of civil procedure for the personal service of original notice.

11. "Livestock" means cattle, sheep, swine, an animal belonging to the bovine, caprine, equine, ovine, or porcine species, ostriches, rheas, emus, poultry, or other animals or fowl fish or shellfish.

12. "Petroleum product" means a motor fuel or special fuel which is used in the production of crops and or livestock, including but not limited to motor fuel as defined in section 452A.2.

Sec. 3. Section 570A.2, subsection 1, Code 2003, is amended to read as follows:

1. Upon the receipt of a certified request of an agricultural supply dealer, prior to or upon a sale on a credit basis of ~~agricultural chemicals, seed, feed, or petroleum products~~ an agricultural supply to a farmer, a financial institution which has either a security interest in collateral owned by the farmer or an outstanding loan to the farmer for an agricultural purpose shall issue within four business days a memorandum which states whether or not the farmer has a sufficient net worth or line of credit to assure payment of the purchase price on the terms of the sale. The certified request submitted by the agricultural supply dealer shall state the amount of the purchase and the terms of sale and shall be accompanied by a waiver of confidentiality signed by the farmer, and a fifteen dollar fee. The waiver of confidentiality and the certified request may be combined and submitted as one document. If the financial institution states in its memorandum that the farmer has a sufficient net worth or line of credit to assure payment of the purchase price, the memorandum is an irrevocable and unconditional letter of credit to the benefit of the agricultural supply dealer for a period of thirty days following the date on which the final payment is due for the amount of the purchase price which remains unpaid. If the financial institution does not state in its memorandum that the farmer has a sufficient net worth or line of credit to assure payment of the purchase price, the financial institution shall transmit the relevant financial history which it holds on the person. This financial history shall remain confidential between the financial institution, the agricultural supply dealer, and the farmer.

Sec. 4. Section 570A.3, Code 2003, is amended to read as follows:

570A.3 LIEN CREATED.

~~1. An agricultural supply dealer furnishing who provides an agricultural chemical, seed, or a petroleum product supply to a farmer has a lien shall have an agricultural lien as provided in section 554.9102. The agricultural supply dealer is a secured party and the farmer is a debtor for purposes of chapter 554, article 9. The amount of the lien shall be the amount owed to the agricultural supply dealer for the retail cost of the agricultural chemical, seed, or petroleum product supply, including labor furnished provided. The lien attaches applies to all crops of the following:~~

~~1. Crops which are produced upon the land to which the agricultural chemical was applied, or produced from the seed furnished provided, or produced using the petroleum product furnished, for a period of sixteen months following the date of perfection of the lien pursuant to section 570A.4. However, the lien does not attach to that portion of the crops of a farmer who has paid all amounts due from the farmer for the retail cost, including labor, of provided. The lien shall not apply to any crops so produced upon the land after four hundred ninety days from the date that the farmer purchased the agricultural chemical, seed, or petroleum product provided supply.~~

~~2. An agricultural supply dealer furnishing feed to a farmer has a lien for the unpaid amount of the retail cost of the feed, including labor. The lien attaches to all livestock Livestock consuming the feed. However, the lien does not attach apply to that portion of the livestock of a farmer who has paid all amounts due from the farmer for the retail cost, including labor, of the feed.~~

Sec. 5. Section 570A.4, Code 2003, is amended by striking the section and inserting in lieu thereof the following:

570A.4 PERFECTING THE LIEN — FILING REQUIREMENTS.

Except as provided in this section, a financing statement filed to perfect an agricultural supply dealer lien shall be governed by chapter 554, article 9, part 5, in the same manner as any other financing statement.

1. The lien becomes effective at the time that the farmer purchases the agricultural supply.

2. In order to perfect the lien, the agricultural supply dealer must file a financing statement in the office of the secretary of state as provided in section 554.9308 within thirty-one days after the date that the farmer purchases the agricultural supply. The financing statement shall meet the requirements of section 554.9502, subsection 1, and include all applicable information described in section 554.9516. Filing a financing statement as provided in this subsection satisfies all requirements for perfection of an agricultural lien as provided in chapter 554, article 9.

Sec. 6. Section 570A.5, Code 2003, is amended to read as follows:

570A.5 PRIORITY OF LIEN.

~~1. A Except as provided in this section, an agricultural supply dealer's lien that is effective or perfected under this chapter is superior to a lien or security interest which attaches subsequent to the time the lien statement is filed with the secretary of state, except liens which arise under this chapter or under chapters 570 and 571 as provided in section 570A.4 shall be subject to the rules of priority as provided in section 554.9322. For an agricultural supply dealer's lien that is perfected under section 570A.4, all of the following shall apply:~~

~~2. 1. A The lien shall have priority over a lien perfected under this chapter is equal to a lien or security interest which is of record or which is perfected prior to the time the lien statement is filed with the secretary of state except as provided in section 570A.2, subsection 3 that applies subsequent to the time that the agricultural supply dealer's lien is perfected.~~

~~3. 2. A Except as provided in section 570A.2, subsection 3, the lien perfected under this chapter for the purposes of feed will continue to be perfected in the livestock and takes shall have equal priority to a lien or security interest which is perfected prior to the time that the agricultural supply dealer's lien is perfected. However, a landlord's lien that is perfected~~

pursuant to section 570.1 shall have priority over a conflicting agricultural supply dealer's lien as provided in section 570.1, and a harvester's lien that is perfected pursuant to section 571.3 shall have priority over a conflicting agricultural supply dealer's lien as provided in section 571.3A.

3. A lien in livestock feed shall have priority over an earlier perfected lien or security interest to the extent of the difference between the acquisition price of the livestock and the fair market value of the livestock at the time the lien attaches or the sale price of the livestock, whichever is greater.

Sec. 7. Section 570A.6, Code 2003, is amended by striking the section and inserting in lieu thereof the following:

570A.6 ENFORCEMENT OF LIEN.

An agricultural supply dealer may enforce an agricultural supply dealer's lien in the manner provided for agricultural liens pursuant to chapter 554, article 9, part 6.

Sec. 8. Sections 570A.7 through 570A.11, Code 2003, are repealed.

DIVISION II
HARVESTER'S LIEN

Sec. 9. NEW SECTION. 571.1A DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Crop" includes but is not limited to corn, soybeans, hay, straw, and crops produced on trees, vines, or bushes.
2. "Harvester" means a person who performs harvesting services.
3. "Harvesting services" means baling, chopping, combining, cutting, husking, picking, shelling, stacking, threshing, or winnowing a crop, regardless of the means or method employed.
4. "Harvester's lien" or "lien" means the harvester's lien created in section 571.1B.

Sec. 10. NEW SECTION. 571.1B LIEN CREATED.

A harvester shall have an agricultural lien as provided in section 554.9102 for the reasonable value of harvesting services. The harvester is a secured party and the person for whom the harvester renders such harvesting services is a debtor for purposes of chapter 554, article 9. The lien applies to crops harvested by the harvester.

Sec. 11. Section 571.3, Code 2003, is amended by striking the section and inserting in lieu thereof the following:

571.3 PERFECTING THE LIEN — FILING REQUIREMENTS.

Except as provided in this section, a financing statement filed to perfect a harvester's lien shall be governed by chapter 554, article 9, part 5, in the same manner as any other financing statement.

1. The lien becomes effective at the time that the harvesting services provided under section 571.1B are rendered.
2. In order to perfect the lien, the harvester must file a financing statement in the office of the secretary of state as provided in section 554.9308 within ten days after the last date that the harvesting services were rendered. The financing statement shall meet the requirements of section 554.9502, subsection 1, and include all applicable information described in section 554.9516. Filing a financing statement as provided in this subsection satisfies all requirements for perfection of an agricultural lien as provided in chapter 554, article 9.

Sec. 12. NEW SECTION. 571.3A PRIORITY OF LIEN.

Except as provided in this section, section 554.9322 shall govern the priority of a harvester's lien that is effective or perfected as provided in section 571.3.

1. A harvester's lien that is effective but not perfected under section 571.3 shall have priority as provided in section 554.9322.

2. A harvester's lien that is perfected under section 571.3 shall have priority over a conflicting security interest in harvested crops regardless of when such security interest is perfected. A perfected harvester's lien shall have priority over a conflicting landlord's lien as provided in chapter 570, regardless of when such landlord's lien is perfected.

Sec. 13. Section 571.5, Code 2003, is amended to read as follows:

571.5 ENFORCEMENT OF LIEN.

A harvester may enforce a harvester's lien as provided in this chapter ~~may be enforced in the manner provided for agricultural liens pursuant to the uniform commercial code, chapter 554, article 9, part 6.~~

Sec. 14. Sections 571.1, 571.2, 571.4, and 571.6, Code 2003, are repealed.

DIVISION III VETERINARIAN'S LIEN

Sec. 15. NEW SECTION. 581.1A DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Livestock" means an animal belonging to the bovine, caprine, equine, ovine, or porcine species, ostriches, rheas, emus, poultry, or fish or shellfish.
2. "Veterinarian" means a person who practices veterinary medicine under a valid license or temporary permit as provided in chapter 169.
3. "Veterinarian's lien" or "lien" means a veterinarian's lien created under section 581.2A.

Sec. 16. Section 581.2, Code 2003, is amended by striking the section and inserting in lieu thereof the following:

581.2 PRIORITY.

Except as provided in this section, section 554.9322 shall govern the priority of a veterinarian's lien that is effective or perfected as provided in section 581.3.

1. A veterinarian's lien that is effective but not perfected under section 581.3 shall have priority as provided in section 554.9322.
2. A veterinarian's lien that is perfected under section 581.3 shall have priority over any conflicting security interest or lien in livestock treated by a veterinarian, regardless of when such security interest or lien is perfected.

Sec. 17. NEW SECTION. 581.2A LIEN CREATED.

A veterinarian shall have an agricultural lien as provided in section 554.9102 for the actual and reasonable value of treating livestock, including the cost of any product used and the actual and reasonable value of any professional service rendered by the veterinarian. The veterinarian is a secured party and the owner of the livestock is a debtor for purposes of chapter 554, article 9. The lien applies to the livestock treated by the veterinarian.

Sec. 18. Section 581.3, Code 2003, is amended by striking the section and inserting in lieu thereof the following:

581.3 PERFECTING THE LIEN — FILING REQUIREMENTS.

Except as provided in this section, a financing statement filed to perfect a veterinarian's lien shall be governed by chapter 554, article 9, part 5, in the same manner as any other financing statement.

1. The lien becomes effective at the time that the veterinarian treats the livestock.
2. In order to perfect the lien, the veterinarian must file a financing statement in the office of the secretary of state as provided in section 554.9308 within sixty days after the day that the veterinarian treats the livestock. The financing statement shall meet the requirements of section 554.9502, subsection 1, and include all applicable information described in section

554.9516. Filing a financing statement as provided in this subsection satisfies all requirements for perfection of an agricultural lien as provided in chapter 554, article 9.

Sec. 19. Section 581.4, Code 2003, is amended to read as follows:

581.4 ENFORCEMENT.

The lienholder A veterinarian may enforce the a veterinarian's lien by a suit in equity in the manner provided for agricultural liens pursuant to the uniform commercial code, chapter 554, article 9, part 6.

Sec. 20. Section 602.8102, subsection 82, Code 2003, is amended to read as follows:

82. Carry out duties relating to liens as provided in chapters 249A, 570, 571, 572, 574, 580, 581, 582, and 584.

Sec. 21. Section 581.1, Code 2003, is repealed.

Approved April 28, 2003

CHAPTER 83

SCHOOL HEALTH INSURANCE — STUDY

S.F. 386

AN ACT requiring the insurance division of the department of commerce to establish a school health insurance reform team study and to make recommendations to the general assembly.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. SCHOOL HEALTH INSURANCE REFORM TEAM STUDY. The insurance division of the department of commerce shall establish a school health insurance reform team. The school health insurance reform team shall conduct a study to review the availability of affordable health insurance coverage for school district employees, insurance ratings practices, the establishment of continuity of coverage for school districts and their employees, and methods to improve the efficiency and fairness of the health insurance marketplace for school districts and their employees. The study shall include a comparison of health insurance coverage that is offered to school district employees, to other public employees, and to employees in the private sector. The school health insurance reform team shall examine the feasibility of the following:

1. Establishing a premium rating system based on the statewide health status, claims experience, and other demographic characteristics of school district employees.
2. Establishing basic or standard health benefit plans with benefit levels, cost-sharing levels, exclusions, and limitations available to all school districts and their employees.
3. Establishing uniform coverage plans with benefit coverages that may be added to the basic or standard plans, at the option of a school district.
4. Establishing restrictions on premium rates and rate increases.
5. Establishing a school district health reinsurance program.

The commissioner of insurance shall select the members of the school health insurance reform team which shall include a representative of a school district with fewer than six hundred students, a representative of a school district with six hundred to nine hundred ninety-nine